



December 04, 2018

**CUSTOMS MEMORANDUM ORDER**

NO. 25- 2018

To: All Deputy Commissioners  
All Directors and Division Chiefs  
All District/Port Collectors  
All Others Concerned

**Subject: LODGEMENT/FILING OF GOODS DECLARATION, VALUATION  
AND OTHER RELATED MATTERS**

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In the exigency of the service and in order to meet collection targets, improve the collection efficiency of the Bureau and ease port congestion, the following directives are hereby issued, viz:

1. Goods Declaration must be strictly lodged within fifteen (15) days from the date of discharge of the last package from the vessel or aircraft, pursuant to Section 407 of the Customs Modernization and Tariff Act (CMTA). The period to file the goods declaration may only be extended, upon written request, filed before the expiration of the original period, on valid grounds for another period not exceeding fifteen (15) days, and only upon prior approval of the Commissioner.
2. Provisional Goods Declaration under Section 403 of the CMTA shall be allowed only in meritorious cases. Importers/consignees/declarants should be advised to have complete information or supporting documents required to complete the goods declaration before making the importation, or see to it that they are completed before filing of the goods declaration. The practice of allowing a Provisional Goods Declaration and submission of supporting documents within forty-five (45) days from filing thereof, extendible for another forty-five (45) days, encourages inefficiency aside from exacerbating port congestion.
3. Provisional Goods Declaration is subject to Tentative Assessment of duties and taxes, which invariably leads to inaccurate appraisal or low classification of goods to the detriment of the Bureau and rarely, if ever, a reappraisal or reclassification is made (which could be done only upon request of the District Collector to the Commissioner pursuant to Section 427 of the CMTA).
4. Examiners, Appraisers, Principal Appraisers, Deputy Collectors and District Collectors are directed to comply strictly with the Basis of Valuation specified under Sections 700, 701, 702, 703, 704, 705, 706 and 707 of the CMTA on Sequential Application of Valuation Methods, Transaction Value System (method one), Transaction Value of Identical Goods (method two), Transaction Value of Similar Goods (method three), the Deductive Value (method four), Computed Value (method five), Fallback Value (method six) and Ascertainment of the Accuracy of the Declared Value, respectively. Customs Valuation shall, except in specified circumstances, be based on the Actual Price (paid or payable) of the goods to be valued, which is generally shown in the invoice. The price plus adjustments for certain



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clients (e.g. royalties, commissions, assists), equals the transaction value, which constitutes the first and most important method of valuation.

5. A detailed computation of the Transaction Value of imported goods (price actually paid or payable for the goods when sold for export to the Philippines adjusted based on the requirements of Sections 700 to 706) stating the applicable Tariff Heading duly signed by the Examiner, Appraiser, Principal Appraiser, Deputy Collector for Assessment and District Collector shall be submitted to the Commission on Audit, Liquidation and Billing Division (LBD) and Post Clearance Audit Group for validation of the computation of the valuation of goods and audit the amount of taxes and duties paid.
6. The Post Clearance Audit Group (PCAG) is authorized to secure relevant documents from, and enlist the assistance of, the LBD and Import Assessment Service, Assessment and Operations Coordinating Group (AOCG) and other offices in the discharge of its audit functions. PCAG is directed to submit its audit findings to OCOM for appropriate action.
7. For purposes of accountability, transparency and ensuring correct assessment of goods and prompt payment of duties and taxes, the Import Assessment Service, AOCG is given operational control over the Principal Appraisers of all Ports/Districts. Examiners and Appraisers shall remain under the control and supervision of the District Collectors.
8. You are reminded that Goods declared shall be released only when the **CORRECT** duties and taxes and other lawful charges have been paid or secured and all the pertinent laws, rules and regulations have been complied with (Section 431, CMTA).
9. Any violation of these directives shall be dealt with accordingly.

For strict compliance.



**REY LEONARDO B. GUERRERO**

Commissioner

DEC 04 2018